

November 02, 2022

The New York Times

November 02, 2022- pg. B3 (NYT & Natl)

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EARNINGS | ECONOMY

Uber Posts Quarterly Loss Despite Growth

By KALLEY HUANG

Uber on Tuesday reported revenue growth exceeding expectations from Wall Street, suggesting that the company has continued to recover from a pandemic slump as drivers return to the platform. But it posted a net loss, in part because of its investments in other ride-hailing companies.

Revenue was \$8.34 billion for the third quarter, a 72 percent increase from a year earlier. Uber's ride-hailing business grew 73 percent, while its delivery business grew 24 percent. Wall Street analysts forecast revenue of \$8.12 billion and a net loss of \$361 million.

The company said 124 million people used Uber monthly from July through September, up 14 percent from a year earlier. They accounted for 1.95 billion trips, up 19 percent from a year earlier.

Uber's stock price rose nearly 12 percent on Tuesday.

The company reported a net loss of \$1.2 billion in the third quarter, including \$512 million from investing in other ride-hailing services like the Chinese company Didi. It made more money from its business operations than it lost in the third quarter, generating \$358 million in free cash flow.

Dara Khosrowshahi, Uber's chief executive, has emphasized cost-cutting and profitability as other technology companies have sent signals of an industrywide slowdown at a time of persistent inflation, high interest rates and broader economic turbulence.

"Even as the macroeconomic environment remains uncertain, Uber's core business is stronger than ever," Mr. Khosrowshahi said in a statement.

Uber has focused on recruiting and retaining drivers while navigating steep gas prices and legal disputes about how it classifies the employment status of its drivers. It said the number of drivers on the platform was back to prepandemic levels.

On Friday, the company announced a series of safety features for drivers and riders, allowing drivers to film rides and both drivers and riders to record audio during rides. Uber has also changed how its app maps routes for drivers.

Uber is focused on "disciplined cost management to deliver on our growth and profitability commitments," said Nelson Chai, Uber's chief financial officer, in a statement.

In an earnings call with investors on Tuesday morning, Mr. Khosrowshahi said the biggest factor affecting Uber's financials was the strength of the U.S. dollar, which has hurt companies' global sales. He added that the company was "not seeing any signs of consumer weakness" for both its ride-hailing and delivery services.

"While we have looked for signal, we're not seeing any signal" of faltering demand, Mr. Khosrowshahi said, adding, however, "we're going to be cautious going forward."



AMIR HAMJA FOR THE NEW YORK TIMES

Workers unloading packages for delivery in New York last week. If consumers remain willing to pay the heftier prices corporations are charging, inflation will become harder to stamp out.

Prices Are Rising, but Companies See High Demand

FROM FIRST BUSINESS PAGE

other bad outcomes. Although some companies are reporting a nascent slowdown, the signs are far from conclusive.

Demand remains strong despite higher prices.

McDonald's expects to raise prices 10 percent at its restaurants in the United States this year, its leaders said when reporting better-than-expected sales and profits for the third quarter.

"I think because of the strength of the brand and the proposition as evidenced by the results, the consumers are willing to tolerate it," said Chris Kempczinski, the fast-food giant's chief executive.

American Express added customers for platinum and gold cards at a record clip in the United States last quarter, as it reported "great demand" for premium, fee-based products, with younger generations in particular joining.

"As we sit here today, we see no changes in the spending behaviors of our customers, and our credit metrics continue to be strong with delinquencies and write-offs remaining at low levels even as loan balances are steadily rebuilding," Stephen J. Squeri, the company's chief executive, told investors.

He added that the company expected continued momentum based on "really, really strong" travel-related bookings.

Hotels, airlines and related businesses have benefited as consumers have shifted their spending away from goods and toward experiences, giving those companies room to raise prices.

"We're not seeing any signs that fundamentals are weakening," Christopher J. Nassetta, the chief executive at Hilton Worldwide, said on its earnings call with investors. He noted that "rising demand coupled with historically low industry supply growth should continue to drive strong pricing power."

Wyndham Hotels reported that the typical demand drop-off in autumn was less pronounced than usual. Uber said October was set to be its best month ever for ride bookings, thanks in part to the "continued shift of consumer spending from retail back to services," the company's chief executive, Dara Khosrowshahi, said on Tuesday.

At JetBlue, "we're not seeing any cracks in underlying demand," Joanna Geraghty, the airline's chief operating officer, said when describing how it was recovering its earnings after the hit from the pandemic.

Some firms are raising prices to protect their profit margins, and because they can.

PepsiCo raised its sales and profit forecasts for the year, in large part because of consumers' willingness

to pay more for soda and snacks.

"One of our goals clearly is to both gain share and to grow margins. And frankly, that's something that I think we can do," Hugh F. Johnston, PepsiCo's chief financial officer, told analysts.

At Colgate-Palmolive, "we felt it was very important to get ahead of the inflationary environment and take as much pricing as we could," said Noel R. Wallace, the consumer product maker's chief executive. The company raised prices in North America 9 percent in the third quarter from a year earlier, up from a 3 percent bump in the second quarter.

Chipotle Mexican Grill has seen "minimal resistance" to price increases, Brian Niccol, the restaurant chain's chief executive, told investors. In the third quarter, Chipotle increased prices 13 percent from a year earlier, and it expects prices to be up 15 percent over year this quarter.

Incomes matter when it comes to inflation.

As prices rise, many companies are reporting differing behavior between richer and poorer customers.

In developed markets like the United States, there is a "broad swath of consumers" with more savings than they had before the pandemic, said Michael D. Hsu, the chief executive of Kimberly-

Clark, whose brands include Huggies diapers and Kleenex. The company hasn't seen a "discernible change in behavior" for those customers, he told investors.

But he also described a "bifurcation in demand," noting that many consumers who live paycheck to paycheck are buying less or trading down to cheaper brands. "I grew up in one of those households, and I know what it's like," Mr. Hsu said.

The results from tech giants and others point to an impending slowdown.

The biggest earnings misses came from the tech giants, suggesting that higher inflation and rising interest rates are affecting activity.

Alphabet, the parent of Google, last week reported a big decline in third-quarter earnings, and its executives noted that they were seeing less advertising spending in rate-sensitive financial categories like insurance, loans and mortgages.

A few days later, the chip maker Intel announced a \$10 billion cost-cutting program and lowered its profit forecast for the year. "It's

just hard to see any points of good news on the horizon," its chief executive, Patrick Gelsinger, told investors.

Demand could begin to wane for more products and services as families spend down their pandemic savings and struggle to keep up with climbing costs, especially if the job market begins to slow.

"The back-to-school season was softer than expected as consumer spending continues to be impacted by ongoing inflationary pressures," Monish Patolawala, the chief financial officer of 3M, the conglomerate whose products include adhesive tape and Post-it notes. "Looking ahead, we anticipate these impacts to continue throughout the upcoming holiday season."

Indeed, Mattel, the toymaker behind Barbie and Hot Wheels, cut its profit forecast, with its chief executive, Ynon Kreiz, citing "increased volatility heading into the latter part of the year."

Mattel plans more discounts and promotions to shift unsold inventory, suggesting that for some products, price increases have hit their ceiling.

Saudi Aramco Announces Profit of \$42 Billion

By STANLEY REED

Saudi Aramco, the world's largest oil company, said on Tuesday that it had earned \$42.4 billion in net income in the third quarter. The figure was more than double the nearly \$20 billion that Exxon Mobil earned for the period.

It also enabled Saudi Aramco, which is state-controlled and has a near-monopoly on Saudi Arabia's oil output, to pay a large dividend — \$18.75 billion — mostly to the country's government.

Aramco is the latest oil company to report very large profits in an environment marked by high petroleum prices after Russia's invasion of Ukraine in February.

On Tuesday, BP, the London-based energy giant, reported what it called underlying replacement cost profits of \$8.2 billion for the quarter, down slightly from the previous quarter but more than double the \$3.3 billion in the same period in 2021.

In an effort to bolster prices, Saudi Arabia and Russia, as leaders of the OPEC Plus cartel, recently announced a cut in oil production amounting to about 2 percent of global output. The move angered the Biden administration, which is pushing oil producers, including those operating in the United States, to ramp up output to lower gasoline prices for consumers.

With U.S. midterm elections nearing, President Biden threatened on Monday to seek a new windfall tax on major oil and gas companies unless they increased production.

Britain recently enacted a windfall tax on petroleum producers, and BP said it would pay about \$800 million under the levy this year, part of \$2.5 billion in tax on its British North Sea oil and gas business.

"We understand it is a very difficult time for society right now," said Murray Auchincloss, the company's chief financial officer, on a call with analysts on Tuesday. Mr. Auchincloss estimated that 15 percent of BP's global profits came from Britain. Shell, BP's crosstown rival, stirred controversy last week when it said it had not yet paid the new British tax because of heavy capital expenditure.

For Aramco, the earnings reported on Tuesday were nearly 40 percent above profits from a year earlier. But they were down from the second quarter this year, when Aramco earned a record \$48 billion.

Oil prices have declined from their highs in June, trimming earnings at Aramco. Aramco said it was paid an average of \$101.70 a barrel for its oil during the July-September period, compared with \$113.20 in the previous quarter.

Aramco said it was continuing to invest in added production. "Our long-term view is that oil demand will continue to grow for the rest of the decade," said Amin H. Nasser, Aramco's chief executive, in a statement.

The company restated its plan to complete an investment program that would, by 2027, raise its production capacity to 13 million barrels a day, from around 12 million now. Saudi Arabia's quota in the OPEC Plus producers' group was recently reduced to about 10.5 million barrels a day, from 11 million.

Mr. Auchincloss said BP was considering adding more drilling rigs to its operations both in the Gulf of Mexico and on land-based properties in the United States.



AMR NABLI/ASSOCIATED PRESS

A Saudi Aramco plant in Hawiyah, Saudi Arabia. Cash is rolling in for oil companies amid high petroleum prices.

Information to identify the case:
Debtor: Compute North Holdings, Inc., et al., EIN: 85-3774534
United States Bankruptcy Court for the Southern District of Texas
Case Number: 22-90273 (MI); Date case filed for chapter 11: 09/22/2022
Official Form 309F1 (For Corporations or Partnerships)
Notice of Chapter 11 Bankruptcy Case 10/20
For the Debtor listed above, a case has been filed under chapter 11 of the Bankruptcy Code. An order for relief has been entered. This notice has important information about the case for creditors and debtors, including information about the meeting of creditors and deadlines. Read this notice carefully.
The filing of the case imposed an automatic stay against most collection activities. This means that creditors generally may not take action to collect debts from the debtor or the debtor's property. For example, while the stay is in effect, creditors cannot sue, assert a deficiency, repossess property, or otherwise try to collect from the debtor. Creditors cannot demand repayment from the debtor by mail, phone, or otherwise. Creditors who violate the stay can be required to pay actual and punitive damages and attorney's fees.
Confirmation of a chapter 11 plan may result in a discharge of debt. A creditor who wants to have a particular debt excepted from discharge may be required to file a complaint in the bankruptcy clerk's office within the deadline specified in this notice. (See below for more information.)
To protect your rights, consult an attorney. All documents filed in the case may be inspected at the bankruptcy clerk's office at the address listed below or through PACER (Public Access to Court Electronic Records at <https://pacer.uscourts.gov/>).
The staff of the bankruptcy clerk's office cannot give legal advice.
Do not file this notice with any proof of claim or other filing in the case.
Debtors' full names: List of Jointly Administered Debtors: Debtor, Tax ID, Case Number: Compute North Holdings, Inc., 85-3774534, 22-90273 (MI); Compute North LLC, 82-3377185, 22-90275 (MI); CN Corpus Christi LLC, 88-1145551, 22-90272 (MI); CN Atoka LLC, 87-3904384, 22-90276 (MI); CN Big Spring LLC, 87-3854397, 22-90277 (MI); CN Colorado Bend LLC, 87-3864010, 22-90278 (MI); CN Developments LLC, 87-3782570, 22-90279 (MI); CN Equipment LLC, 88-2676885, 22-90280 (MI); CN King Mountain LLC, 87-3937190, 22-90281 (MI); CN Minden LLC, 87-3833722, 22-90282 (MI); CN Mining LLC, 87-4495223, 22-90286 (MI); CN Pledger LLC, 87-4409871, 22-90274 (MI); Compute North Member LLC, 87-3758639, 22-90283 (MI); Compute North NC08 LLC, 87-1858069, 22-90284 (MI); Compute North NY09 LLC, 87-2175453, 22-90285 (MI); Compute North SD, LLC, 37-1911501, 22-90286 (MI); Compute North TX10 LLC, 87-3242438, 22-90289 (MI).
Address: 7575 Corporate Way, Eden Prairie, Minnesota 55344.
Debtor's Attorney: PAUL HASTINGS LLP, James Grogan, (TX Bar No. 24027354), 600 Travis Street, 58th Floor Houston, Texas 77002, Email: jamesgrogan@paulhastings.com; Luc Despins, Sayan Bhattacharyya, Daniel Ginsburg, 200 Park Avenue, New York, New York 10166, Email: lucdespins@paulhastings.com; sayanbhattacharyya@paulhastings.com; danielginsburg@paulhastings.com; and Matthew Michel, Michael Jones, 717 S. 2nd Street, Suite 4000 Chicago, Illinois 60606, Email: mattmichel@paulhastings.com; michaeljones@paulhastings.com.
Debtor's Claims and Noticing Agent: (For Court Documents and Case Information Inquiries): Epiq Corporate Restructuring, LLC (the "Claims Agent") (Case website: <https://dm.epiq11.com/ComputeNorthHoldings>, Email Inquiries: ComputeNorthHoldingsInfo@epiqglobal.com; address by First-Class Mail: Compute North Holdings, Inc., Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, P.O. Box 4421, Beaverton, OH 97076-4421; address by Hand Delivery or Overnight Mail: Compute North Holdings, Inc., Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, 10300 SW Allen Blvd., Beaverton, OH 97005.
Bankruptcy clerk's office: United States Courthouse, 515 Rusk Avenue, Houston, Texas 77002, Hours: Monday to Friday – 8:30 a.m. to 5:00 p.m. (CT), Telephone: (713) 250-5500. Documents in this case may be filed at this address. You may inspect all records filed in this case at this office or online at pacer.uscourts.gov.
Meeting of creditors: Date and time: **October 31, 2022 at 1:30 p.m. (CT)**. Location: United States Courthouse Office of the United States Trustee, 515 Rusk Avenue, Suite 3401, Houston, Texas 77002. The Debtors' representative must attend the meeting to be questioned under oath. Creditors may attend, but are not required to do so.
Deadlines to File Proofs of Claim
The Bar Dates: Pursuant to the order entered by the Bankruptcy Court establishing, among other things, bar dates for filing Proofs of Claim (Docket No. 86) (the "Bar Date Order"), all entities (except governmental units and other entities exempt from filing Proof(s) of Claim under the Bar Date Order) who have a claim or potential claim against the Debtors that arose prior to September 22, 2022, no matter how remote or contingent such right to payment or equitable remedy may be, MUST FILE A PROOF OF CLAIM on or before 5:00 p.m. (prevailing Central Time) on November 23, 2022 (the "Section 503(b)(9) Bar Date").
EXCEPT FOR A PERSON OR ENTITY THAT IS EXEMPT FROM FILING A PROOF OF CLAIM OR SECTION 503(b)(9) REQUEST UNDER THE ORDER, ANY PERSON OR ENTITY WHO FAILS TO FILE A PROOF OF CLAIM OR SECTION 503(b)(9) REQUEST ON OR BEFORE THE CLAIMS BAR DATE, SECTION 503(b)(9) BAR DATE, OR GOVERNMENTAL BAR DATE, AS APPLICABLE, SHALL NOT BE TREATED AS A CREDITOR WITH RESPECT TO SUCH CLAIM FOR THE PURPOSES OF VOTING AND DISTRIBUTION IN ANY CHAPTER 11 PLANS.
Filing a Proof of Claim: Proof of Claim forms are available at <https://dm.epiq11.com/ComputeNorthHoldings>. Each Proof of Claim must be submitted to the Claims Agent or one of the following ways: (i) by electronic submission through the interface available at <https://dm.epiq11.com/ComputeNorthHoldings> or (ii) if submitted through non-electronic means: (a) if by first-class mail: Compute North Holdings, Inc., Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, P.O. Box 4421, Beaverton, OH 97076-4421, and (b) if by hand delivery or overnight mail: Compute North Holdings, Inc., Claims Processing Center, c/o Epiq Corporate Restructuring, LLC, 10300 SW Allen Blvd., Beaverton, OH 97005. Proofs of Claim submitted by facsimile or electronic mail will not be accepted.
Section 503(b)(9) Requests: Any entity asserting a Section 503(b)(9) Request must file it with the Court before the Section 503(b)(9) Bar Date.
Additional Information: If you have any questions regarding the claims process and/or you wish to obtain a copy of the Bar Date Notice, a proof of claim form, the Bar Date Order, or certain other pleadings, orders, and notices, or related documents you may do so by: (i) visiting the Debtors restructuring website at: <https://dm.epiq11.com/ComputeNorthHoldings>; or (ii) sending an electronic mail message to ComputeNorthHoldingsInfo@epiqglobal.com.
Deadline for filing proof of claim on account of the Debtors' rejection of executory contracts or unexpired leases:
Pursuant to the order of the bankruptcy court establishing procedures for the rejection of executory contracts and unexpired leases (Docket No. 256) (the "Rejection Procedures"), the deadline to file a proof of claim to assert any damage claim arising from the rejection of an executory contract or unexpired lease shall be the later of (i) November 23, 2022 at 5:00 p.m. (CT); or (ii) thirty (30) days after the entry of an order of the bankruptcy court approving the rejection of such executory contract or unexpired lease pursuant to the Rejection Procedures.
A proof of claim is a signed statement describing a creditor's claim. A proof of claim may be obtained at www.uscourts.gov, <https://dm.epiq11.com/ComputeNorthHoldings>, or any bankruptcy clerk's office. Your claim will be allowed in the amount scheduled unless your claim is designated as disputed, contingent, or unliquidated; you file a proof of claim in a different amount; or you receive another notice. If your claim is not scheduled or if your claim is designated as disputed, contingent, or unliquidated, you must file a proof of claim or you might not be paid on your claim. You may file a proof of claim even if your claim is scheduled. Once the Schedules are filed, you may review the Schedules at the bankruptcy clerk's office or online at pacer.uscourts.gov or <https://dm.epiq11.com/ComputeNorthHoldings>. Secured creditors retain rights in their collateral regardless of whether they file a proof of claim. Filing a proof of claim submits a creditor to the jurisdiction of the bankruptcy court, with consequences a lawyer can explain. For example, a secured creditor who files a proof of claim may surrender important nonmonetary rights, including the right to a jury trial.
Exception to discharge deadline: The bankruptcy clerk's office must receive a complaint and any required filing fee by the following deadline. If § 523(c) applies to your claim and you seek to have it excepted from discharge, you must start a judicial proceeding by filing a complaint by the deadline stated below.
Deadline for filing the complaint:
Creditors with a foreign address: If you are a creditor receiving notice mailed to a foreign address, you may file a motion asking the court to extend the deadlines in this notice. Consult an attorney familiar with United States bankruptcy law if you have any questions about your rights in this case.
Filing a Chapter 11 bankruptcy case: Chapter 11 allows debtors to reorganize or liquidate according to a plan. A plan is not effective unless the court confirms it. You may receive a copy of the plan and a disclosure statement telling you about the plan, and you may have the opportunity to vote on the plan. You will receive notice of the date of the confirmation hearing, and you may object to confirmation of the plan and attend the confirmation hearing. Unless a trustee is serving, the debtor will remain in possession of the property and may continue to operate its business.
Discharge of debts: Confirmation of a chapter 11 plan may result in a discharge of debts, which may include all or part of your debt. See 11 U.S.C. § 1141(d). A discharge means that creditors may never try to collect the debt from the debtor except as provided in the plan. If you want a particular debt owed to you excepted from the discharge and § 523(c) applies to your claim, you must start a judicial proceeding by filing a complaint and paying the filing fee in the bankruptcy clerk's office by the deadline.